

**Report to the City of
Nottingham and
Nottinghamshire Economic
Prosperity Committee**

Date 23rd October 2017

Agenda Item: 5

**REPORT OF ANTHONY MAY, CHIEF EXECUTIVE NOTTINGHAMSHIRE
COUNTY COUNCIL**

THE N2 TOWN CENTRE PROGRAMME (LOCAL GROWTH FUND 3)

Purpose of the Report

1. To consider the latest position on the N2 Town Centre Programme and to propose an assessment and decision-making process for the Committee's consideration.

Background

2. As the Committee will be aware, the N2 Town Centre (N2TC) Programme "Unlocking Growth in N2 Town Centres" was developed for inclusion within the Growth Deal 3 (GD3) submission by the D2N2 Local Enterprise Partnership (LEP) to Government in 2016. The initial bid sought £12m to support package of projects designed to address challenging issues within and specific to a series of key town centres across Nottingham and Nottinghamshire. This was agreed by the EPC in July 2016.
3. In July 2017, the Government awarded £62.9m to the D2N2 LEP. The overall LGF programme across D2N2 is 'over-programmed' with more bids than the available resource. The LEP Board has agreed that underspends or projects that don't deliver against forecast face resources being clawed back to reduce the overspend within the overarching LGF programme.
4. A revised total of £7.6m has been allocated to the N2 Town Centres programme to run over the period up to March 2021. The N2TC programme offers a degree of flexibility to bring forward projects from across the County. In order to offer the LEP the assurance that a pipeline of projects was available, an initial set of projects were agreed as the basis of the original bid.
5. This reports offers details of progress made since the announcement, offers details of the pipeline and proposes a decision-making process as delegated by this Committee.

Progress

6. Following a period of discussion and review of guidance from the LEP on its final Local Assurance Framework, the Committee will note:
 - At its Policy Committee meeting on the 13th September 2017, the County Council (NCC) agreed to be the accountable body (AB) for the Programme, undertaking programme management role.
 - Derbyshire CC as the LEP Accountable Body will hold the resources, with a draw down against approved projects by Nottinghamshire County Council, as the programme accountable body, when projects are approved.
 - The programme will be subject to an agreement between the two County Councils, with the applicants for individual town centre projects being subject to their own agreement with NCC as the accountable body.
 - Overall, the programme is required to meet the outputs of 560 jobs.
 - The LEP's Local Assurance Framework (LAF) will guide the requirements of the programme's AB and the expectations of the sponsors of individual projects.
 - To help ensure that bids are approved and that funds are drawn down and paid to lead applicants in a timely fashion, funding will be allocated from the Business Rates Pool to help administer the programme.
 - Early discussions have taken place with the LEP about presenting a business case for the programme's approval by its Infrastructure and Investment Board.

Moving Forward - Project Approvals

7. As the accountable body, Nottinghamshire County Council will be responsible for working with District and Borough partners to develop, submit and administer the programme. This includes preparing the business case and securing an agreement with LEP for the Programme's delivery.
8. In the original submission, 12 projects were endorsed locally seeking just over £7m of LGF resources. Of the original 12 projects, 5 projects now appear to be current, seeking £5.128m of LGF. A number of the original projects have been funded through other grant programmes. This leaves an unallocated balance of £2.497m. Appendix A sets out the updated full list of projects seeking resources from the LGF Town Centre Programme.
9. Projects seeking LGF resources directly from the LEP are required to go through the detailed Local Assurance Framework assessment. This is a robust test to ensure that projects are deliverable and to offer assurance that the public money invested in projects will achieve agreed outcomes.
10. In discharging the accountable body responsibilities, the County Council is committed to working with both the LEP and District/Borough Councils to agree a process of assessing, approving and monitoring projects. This process will need to be sufficiently robust to offer assurance to both the LEP (who will ultimately sign off the programme) and the County Council's s151 officer (who will sign off the grant awards). The process should not however be overly bureaucratic, lengthy or burdensome, nor should it place unnecessary requirements for the public bodies drawing down the resource to meet.

11. The process will draw on existing local good practice, including from our successful joint Growth Point programme and input from the LEP. The key outcomes are:
 - To ensure delivery of good quality outcomes for residents and businesses in Nottinghamshire
 - To ensure efficient and effective delivery of the programme, with timely approvals, allocations and administration of the grant.
12. It is proposed that the EPC delegate authority to the accountable body Chief Executive and s151 Officer to approve the process, in close consultation with N2 Chief Officers including the LEP Chief Executive.

Next Steps

13. Alongside the development of the process for signing off the individual projects. The LEP require the submission of a formal business case for the whole programme to be considered by the LEP Infrastructure Investment Board. Subject to EPC endorsement of the attached projects in Appendix A, a business case will be submitted for appraisal as soon as is practicable. Once approved, projects from District and Borough partners can be submitted for assessment.
14. Whilst all projects will need to go through the assessment process in order to satisfy due diligence, priority is given to the 5 projects (highlighted in the Appendix) that formed part of the initial LGF submission, unless they are withdrawn by their sponsoring authorities.

Reason(s) for Recommendations

15. For the efficient management and progression of the N2TC Programme and to enable District and Borough partners to submit projects in order to draw down the LGF resource through an efficient and robust approach.

Other Options Considered

16. The Committee may choose not to support the process and proposed decision-making process.

RECOMMENDATION/S

17. It is recommended that the Economic Prosperity Committee:
 - a) endorses the list of projects comprising the N2TC programme in Appendix A
 - b) agrees that a process is developed for the appraisal of projects that is proportionate, efficient and consistent with the LEP Assurance Framework
 - c) delegates to Chief Officer and s151 of the accountable body the responsibility to approve individual projects, subject to appraisal, with monitoring and overall progress being reported to future meetings of this Committee.

Report Author

Adrian Smith (Corporate Director Place, NCC)

For any enquiries about this report please contact:

Geoff George, Nottinghamshire County Council, tel (0115) 977 2046
geoff.george@nottscc.gov.uk

Background Papers

- Original Submission to the D2N2 LEP
- “Unlocking Growth in N2 Town Centres” – a brochure developed supporting the original submission.

Appendix A - Longlisted N2TC Projects

Project Name	Description	LGF Sought	Total Costs
Arnold #	Development of the town centre and the market.	£1,250,000	£3,000,000
Beeston Square*	Redeveloping a brownfield site to address changes in shopping habits, regenerate an underutilized location and maximize the potential footfall from the introduction of the Tram route.	£350,000	£30,000,000
Bingham*	Improved connectivity across the rail line via new bridge over the railway, better integrating the town centre.	£765,000	£1,570,000
Carlton Square #	Redevelopment of the town centre for enhanced retail, commercial and housing offer.	£350,000	£1,100,000
Kirkby Leisure Centre	Construction of new Leisure centre, integrating it with the Kirby town centre and facilitating the re-development of the old site for housing.	£1,500,000	£9,000,000
Mansfield Old Town Hall*	Conversion of this grade II* listed building into office accommodation for the town centre.	£607,139	£1,839,816
Newark Gateway project (Town Centre) Phase 1	A full Masterplan exercise is being undertaken for the development of the site adjacent to the new Council Offices and Phase 1 will see the installation of infrastructure, utilities and site preparation.	£900,000	£1,800,000
Newark Central (Buttermarket)	A corridor between the newly opened National Civil War Centre and Newark Castle. With the changing role of Town Centres, and the need to ensure the Town Centre remains a vibrant cultural centre, an internal reconfiguration of the Buttermarket is required.	£650,000	£1,300,000
Stockwell Gate (Mansfield)	Redevelopment of the former bus station site, a highly prominent gateway site into central Mansfield, with strong links to the town centre, the transport interchange and the Four Seasons shopping centre. The project comprises hotel, associated leisure and retail uses creating @40,000sqft of new commercial floorspace together with public realm.	£500,000	£9,000,000
Tudor Square, West Bridgford*	Improve the offer in West Bridgford with the extension of the work carried out on Central Avenue across Tudor Square. The proposal involves the creation of 'shared space' with appropriate improvements to	£1,600,000	£3,100,000

	landscaping, reduce the width of the roads, remove barriers and increase the open space.		
Workshop*	Increase and bring back into use over 2,000sqm of retail, office and restaurant floor space, increase and improve the public realm and pedestrian friendly areas from Bridge Street through to Victoria Square and create a new entrance to the main retail car park.	£1,806,000	£3,612,000
Total projects from initial submission to Government		£5,128,139	£40,121,816
Total		£10,278,139	£65,321,816

*Previously agreed as part of the initial LGF Programme submitted to the LEP and Government.

#Referenced previously as reserve projects to the original submission.